

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1874-02
Bill No.: HB 555
Subject: Agriculture and Animals; Revenue Dept.; Taxation and Revenue - Sales and Use
Type: Original
Date: March 10, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
General Revenue	(\$978,599)	(\$1,139,009)	(\$1,169,554)
Total Estimated Net Effect on General Revenue Fund	(\$978,599)	(\$1,139,009)	(\$1,169,554)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Conservation Commission Fund	\$0	\$130,000	\$130,000
Total Estimated Net Effect on Other State Funds	\$0	\$130,000	\$130,000

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Revenue and Office of Secretary of State** assume no fiscal impact to their agency.

Officials from the **Department of Conservation (MDC)** assume this proposal will reduce MDC's revenue from big game hunting preserves and breeder permits by approximately \$20,000 annually. Also, approximately \$150,000 is currently spent on staff time and administrative activities associated with hunting preserves and breeder operations.

This proposal may also impinge on the authority of the Conservation Commission to manage the fish, forest and wildlife resources of the state of Missouri.

Officials from the **Department of Agriculture (AGR)** assume this proposal will require the Department of Agriculture to take over the cervid surveillance program which currently resides with the Department of Conservation. If cervids are included in the definition of livestock, any member of the cervid family raised in captivity would fall within the jurisdiction of MDA,

including all captive whitetail deer. The deer herds would be required to participate in a Chronic Wasting Disease program which will increase the responsibility of the Department of Agriculture
ASSUMPTION (continued)

to ensure the health and well-being of these animals. This proposal will require cervid producers to comply with all meat inspection and surveillance requirements in order to engage in interstate commerce. To ensure that these animals meet the requirements of the surveillance program, additional staff would be required. The Department of Conservation has staff in almost every county of the state who monitor and maintain the cervid surveillance program. Inspectors will be required to make onsite visits to verify data and perform physical examinations of the animals including the retrieval of brain stem tissue for CWD testing. Inspectors will need to be trained to extract brain stem tissue for CWD testing.

Oversight has reduced the estimated FY 2004, 2005 and 2006 equipment expenditure by \$1,650, \$1,700 and \$1,750 respectively since system furniture would incorporate a cabinet. Oversight assumes the Department could absorb the office space cost and any other expense and equipment cost from existing resources.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
GENERAL REVENUE			
<u>Cost - Department of Agriculture</u>			
Personal Service (15 FTE)	(\$433,370)	(\$533,045)	(\$543,371)
Fringe Benefits	(\$156,057)	(\$191,950)	(\$196,748)
Expense and Equipment	<u>(\$389,532)</u>	<u>(\$414,014)</u>	<u>(\$426,435)</u>
TOTAL ESTIMATED COST TO GENERAL REVENUE	<u>(\$978,959)</u>	<u>(\$1,139,009)</u>	<u>(\$1,169,557)</u>
MISSOURI CONSERVATION COMMISSION FUND			
<u>Loss - Department of Conservation</u>			
Big Game Hunting Preserves & Breeder Permits	\$0	(\$20,000)	(\$20,000)
<u>Savings - Department of Conservation</u>			
Big Game Hunting Preserves & Breeder Operations	<u>\$0</u>	<u>\$150,000</u>	<u>\$150,000</u>

**TOTAL ESTIMATED SAVINGS
MISSOURI CONSERVATION
COMMISSION FUND**

\$0 **\$130,000** **\$130,000**

FISCAL IMPACT - Local Government

FY 2004
(10 Mo.)

FY 2005

FY 2006

\$0 **\$0** **\$0**

FISCAL IMPACT - Small Business

This proposal will require cervid producers to comply with all meat inspection surveillance requirements in order to engage in interstate commerce. These requirements may have some fiscal impact on cervid producers.

DESCRIPTION

This bill modifies the definition of "livestock" by replacing the species elk with cervids, a family of species which includes elk. Cervids must be documented as obtained from a legal source and not from the wild and will be treated and classified as livestock for purposes of the Sales Tax Law and the Missouri Livestock Marketing Law.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Agriculture
Office of Secretary of State
Department of Revenue
Department of Conservation

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A handwritten signature in black ink, reading "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
March 10, 2003